



ANITA M. BOCK
Director

COUNTY OF LOS ANGELES DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place – Los Angeles, California 90020
(213) 351-5602

September 25, 2001

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

40

SEP 25 2001

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**REQUEST TO APPROVE AMENDMENT NUMBER FIVE TO
AGREEMENT NUMBER 71266 WITH LABORATORY CORPORATION OF AMERICA
HOLDINGS TO EXTEND THE TERM OF THE AGREEMENT
(All Supervisorial Districts)
(3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that services provided under the Proposition A Agreement with Laboratory Corporation of America Holdings (LabCorp) continue to be more economically performed by the Contractor than by County employees.
2. Approve and extend the expiration date of the Proposition A Agreement with Laboratory Corporation of America Holdings (LabCorp) on a month-to-month basis, for up to an additional three months, from October 1, 2001 to no later than December 31, 2001. Amendment Number Five is for the continued provision of urine sample collection and drug testing services for the additional maximum contract cost of \$300,000. Funding for the Amendment is included in the Department's FY 2001-02 Adopted Budget and is funded at 53.65% (\$160,950) Federal, 33.14% (\$99,420) State, and 13.21% (\$39,630) County.
3. Authorize the Director of DCFS, or her designee, to sign the attached form Extension Amendment Number Five with Laboratory Corporation of America Holdings (LabCorp).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to extend the expiration date of the Agreement on a month-to-month basis for up to an additional three months, from October 1, 2001 to no

Honorable Board of Supervisors
September 25, 2001
Page 2

later than December 31, 2001, to complete the ongoing solicitation process and to ensure continuation of drug testing services under this Agreement.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the County Strategic Plan by increasing access to child care and development services (Goal #1-Service Excellence, Strategy #2-Design Seamless Service Delivery System), increasing public/private partnerships (Goal #4-Fiscal Responsibility, Strategy #3-Increase Public/Private Partnerships) and providing services for children and families across functional and jurisdictional boundaries (Goal #5-Children and Families' Well-Being, Strategy #1-Coordinate, Collaborate and Integrate Services for Children and Families and Strategy #5-Measure Progress of Improving Outcomes for Children and Families).

FISCAL IMPACT/FINANCING

The maximum contract cost of the extension on a month-to-month basis shall not exceed \$100,000 monthly and for the three (3) month period shall not exceed \$300,000. The funding is included in the Department's FY 2001-02 Adopted Budget. The cost of Amendment Number Five is funded by 53.65% (\$160,950) Federal, 33.14% (\$99,420) State, and 13.21% (\$39,630) County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Urine Sample Collection/Drug Testing Services program has identified a substantial number of parents and primary caregivers whose drug use has hampered their ability to care for their children and has provided a resource to aid in the discontinuance of drug use by parents and primary caregivers and to allow for reunification, when possible.

The Agreement was originally approved by your Board on March 3, 1998 with the Agreement term beginning March 9, 1998, and continuing for a period of one (1) year with two (2) optional renewal periods of one (1) year each, executable by the Director of the Department. Amendment Number One to the Agreement, exercising the first optional

Honorable Board of Supervisors
September 25, 2001
Page 3

renewal period, was executed by the Director of the Department on March 9, 1999, continuing through March 8, 2000. Amendment Number Two exercising the second optional renewal period, was executed by the Director of the Department on January 14, 2000 for the period from March 9, 2000 through March 8, 2001, and included language pertaining to the Living Wage Ordinance.

Two years into the Agreement, LabCorp acquired the shares of PoisonLab. LabCorp, in conjunction with PoisonLab, is now providing urine sample collection and drug testing services for the Department. The Agreement between the County and LabCorp includes all Board required provisions and expressly provides that the County has no obligation to pay for expenditures beyond the contract amount. Further, LabCorp will not be asked to perform services that exceed the contract amount, scope of work, or contract dates.

Amendment Number Three was approved by your Board on February 20, 2001, which extended the term of the Agreement from March 9, 2001 through June 30, 2001 for completion of the solicitation process and the consent of assignment from PoisonLab to LabCorp. Amendment Number Four was approved by your Board on June 5, 2001, which extended the term of the Agreement on a month-to-month basis for up to an additional three months from July 1, 2001 to September 30, 2001 for completion of the current solicitation process and investigation of LabCorp by the Auditor-Controller. A report to the Board dated August 8, 2001 by the Auditor-Controller concluded that the allegations against LabCorp were not substantiated.

The Department had originally intended to complete the current solicitation process and select a new vendor prior to the current expiration date of September 30, 2001. However, unanticipated delays and appeals in the solicitation process, reviews of labor law and payroll violations by proposers, an investigation of LabCorp ordered by the Board on June 5, 2001, and continued discussions of the Department's Prop. A Cost Analysis with the Auditor-Controller has necessitated an extension of the current Agreement with LabCorp.

The Chief Administrative Office and County Counsel have reviewed this Board Letter. The Amendment has been approved as to form by County Counsel.

Honorable Board of Supervisors
September 25, 2001
Page 4

CONTRACTING PROCESS

There was no additional contracting process involved in this Amendment.

IMPACT ON CURRENT SERVICES

Approval of Amendment Number Five will allow for the continuation of urine sample collection and drug testing services to be provided without interruption and to allow the Department additional time to complete its ongoing solicitation process. Extension of the Agreement will not result in the unauthorized disclosure of confidential information and is in full compliance with all Federal, State and County regulations. There will be no reduction in the level of quality of service and the County's ability to respond to emergencies will not be impaired.

CONCLUSION

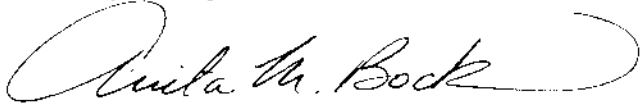
Upon approval of this request by your Board, it is requested that the Executive Officer/Clerk of the Board send a copy of the adopted Board letter to:

- 1) Department of Children and Family Services
Contract Management Section
Attn: Armand Montiel, Interim Contracts Manager
425 Shatto Place, Room 205
Los Angeles, CA 90020
- 2) Office of the County Counsel
Advice and Litigation/Contracts Division
Attn: Valerie Steele, Deputy County Counsel
201 Centre Plaza Dr.
Monterey Park, CA 91754

Honorable Board of Supervisors
September 25, 2001
Page 5

- 3) Laboratory Corporation of America Holdings
Law Department
Attn: Pam Edwards, Director of Contracts
430 South Spring Street
Burlington, NC 27215

Respectfully Submitted,

A handwritten signature in cursive script, reading "Anita M. Bock". The signature is fluid and elegant, with a large loop at the end.

Anita M. Bock
Director

AMB:SS

Attachments

C: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors